

OFFICE OF THE GOVERNOR- BRIAN SCHWEITZER
GOVERNOR'S ADVISORY COUNCIL
ON ECONOMIC SECURITY FOR MONTANA FAMILIES

State Capitol-Room 303
Helena, Montana
Tuesday, October 9, 2007
Wednesday, October 10, 2007

MINUTES-Approved (11-8-07)

Council Members Present:

Minkie Medora, Chairperson

Representative Shannon Augare

Lori Brengle

Mary Danford

Sheila Hogan

Bethany Letiecq (T)

Barb Stiffarm

Elaine Topsy

Angie Wasia

Director Dan Bucks-Revenue

Director Tony Preite-Commerce

Council Members Absent:

Everall Fox

Robert Young

Council Designees and Attendees:

Bruce Brensdal-Commerce

Gail Gallik -Commerce

Hank Hudson -DPHHS

Jim Nolan -DPHHS

Ingrid Childress-Labor & Industry

Ed Caplis-Revenue

Pat Wise (W)-Office of Economic Development

Anne Pichette-Governor's Office

Robert Hamud-OBPP

Bob Andersen

Julia Brown (W)

Mary Berg (T)

Representative Mary Caferro (T)

Pamela Carlson

Jayson Harrington (T)

Lillian Jackson (T)

Linda Moodry (T)

Lisa Neiman

Barb Perzinski

Olivia Riutta

*Judy Garrity-Facilitator

Call to Order/Welcome

The meeting began with introductions of council members and attendees. The meeting facilitator, Judy Garrity, was introduced and the meeting process discussed (her notes are included as Attachment-C).

Approval of the June 20th meeting minutes was motioned, seconded and passed.

Approval of the August 20th & 21st meeting minutes was motioned, seconded and passed.

Council Information

Jim Nolan provided an update on the estimates for updating the Self-Sufficiency Standard and noted that it might be helpful to concentrate on updating the parts of the standard that already exist, as expanding it may duplicate what is already being done by MSU study.

He said that DPHHS will print it once it is ready, so the cost should be \$34,664.

Representative Caferro spoke to the uses of the original study: it was used by labor unions for negotiations, non-profits for writing grants, other non-profits in testimony conversation to move from the bottom poverty level to where want to be based on hiring in MT without any assistance, keeping the debate local as opposed to Federal poverty level. Jim will follow-up on the question from the council as to whether or not the on-line calculator comes with the package. There was some discussion as to whether or not the state agencies would be using this report or whether it would just be other groups, and people thought it would be useful to show where we are at as a state and where we want to be, that people need to be aware, and that the reports are important because they will have the data that can be used to support the recommendations to policy makers. It was decided that it was not necessary for the Council to vote for the study to be updated since they do not oversee the agency budget; it is up to the agency.

Group Discussion

Director Tony Preite of the Department of Commerce discussed workforce and mentioned that there are 12 regional certified development corporations around the state that work with local officials, minorities, and low income representatives. Other than the WIRED program Commerce has a workforce training grant for new job opportunities, must meet local minimums. He gave an example of Direct TV which offers continuing education for employees and health benefits. He discussed the importance of working together to continue to expand program—Federal, state, local and private sector, and that they will continue outreach work with state, tribal, economic development and Commerce. There were questions about the program works and how do rural businesses move forward without taking from others that are already successful and providing funds instead of helping another that could be more so. With the workforce training program the employee needs to work a specified period of time before the employer can come back for reimbursement. If the businesses come from out of state what does it say about local businesses and what do we do to support locally? What about micro lending in other areas, already some for Native American women. In MT the micro business program does not have enough money to do the whole job, but small business development centers have been helpful for businesses. Also there was a question about the demographics of people who were being hired for jobs. With the example of Direct TV they hired a high percentage of people who were low income and on assistance. Bruce Brensda spoke some about the issue of housing.

Director Dan Bucks of the Department of Revenue, along with Ed Caplis, discussed tax policy, equitable compliance, and specific programs. Benefits to small businesses will probably get reinvestment here, but tax breaks out of state have no guarantees of being reinvested here. When tax revenues that are supposed to be paid in MT are brought back to MT, there is more revenue to support programs. Specific programs mentioned include

the elderly homeowner & renter tax credit, along with the ability for homeowners to decrease the rate on property taxes based on income by going to the county governments. There was some discussion about coordination between agencies and contractors, combined outreach and streamlining of applications, what policy barriers might exist to getting local property tax information, options for businesses/employment side of tax credits, and the efficiency of requiring people on reservations to pay state taxes. There is some limit to the information available regarding property taxes since Revenue values the property but the local county assesses and the costs are paid to the county. There was a discussion about the tax structure and targeted incentives. The issue of requiring people on the reservations to file is that some people are exempt, but it is not known who qualifies for the exemption without filing. The strategy/model used for distributing information to districts regarding the homeowner rebate could be used for the senior/renter tax credit. The Council may want to look at bills from the previous session, such as the energy tax bill, at one of the next meetings. (for more information, see Revenue memo-August)

Hank Hudson of the Department of Public Health and Human Services (Human and Community Services Division Administrator) discussed family economic security initiative at DPHHS, and comprehensive poverty reduction. He also talked about TANF Rules and “allowable” work activities and children (36% child only, 51% single parent and 13% two parent families). Remove adult portion of benefits, and loss of benefits for entire month can happen. Create ‘consequences’ similar to those people may face once they are off assistance and are in the work world. Sanctioned children in a sanctioned household aspect removed, sanctioning will not follow children in other households.

Ingrid Childress of the Department of Labor and Industry (Workforce Services Division Administrator) talked about various programs at the department such as attaching job seekers with need for employees, public labor exchange program, veterans’ employment and training program, alien labor certification, BEAR program information, WIRED, workforce investment act, dislocated workers, apprenticeship programs, and working with retired people going back to work and people with disabilities. They also administer the Federal tax credit for businesses that hire employees off TANF or low income programs. She also talked about increasing outreach through regionalized management teams. The higher unemployment rate of people leaving the corrections system and Native Americans living on reservations, and the pocket areas of the state where the percentage of young people is increasing was also discussed. Discussion also included training for incumbent workers to keep small businesses from closing their doors or to make the employees more competitive with increased training.

The Council discussed whether or not they needed to formally adopt their Vision, Mission & Value Statements from previous meetings since the Executive Order already exists. Concentrate on the overall idea of the vision statement instead of word-smithing. Don’t focus on poverty as much as talking about where we want to be; focus high. There is a need for a broad vision, ‘well being vs. economic security,’ ‘pursuit of happiness’ and ‘ability to strive,’ not one size fits all. Adoption of the Vision as stated below was motioned, seconded, and approved. The Council adopted the Mission (motioned,

seconded, and approved) with the additions listed below in []. Formal action was not taken on the Value Statements.

*Vision

We envision a Montana where each family has the resources needed to achieve economic security.

*Mission

To formulate strategies for achieving economic security

To coordinate & improve public programs [and increase access]

To create public/private partnerships to benefit low income families

To address barriers to economic security through increased resources [and public education]

*Value Statements

Adequate & equal access in a culturally appropriate, holistic, and sustainable manner

Consideration of the impact & consequences of policies

MT families live in vibrant communities that empower families to reach full potential

All stakeholders are involved in the policy process

We value risk taking and pursue innovative ideas

The Council discussed the priorities and ideas for action from August and added other ideas. They discussed ‘lifelong learning,’ linking education to economic security, the JobCorps, college credit for health support specialists and life skills for kids in foster care. Please see the attached draft discussion notes (Attachment A) from the small groups’ work on Tuesday and Wednesday. [Small Group Discussion Notes (Strengths, Opportunities, Weaknesses, Threats)].

After presenting their small group work in the four areas, the members broke back into their groups to come up with draft recommendations (Attachment B) to begin their work for future meetings. [Small Group Discussion Notes (Draft Recommendations)].

Follow-up

The next meeting will ideally include some sort of panel discussion on labor and workforce development, list of panelists could include Larry Swanson, Leisa Smith, maybe higher ed, and someone who could talk about the state workforce development board. What kind of workforce development is put into firefighting costs- should have some sort of workforce development dollars to manage resource and fire fighting. Concerns about people not having the specific ‘red card’ training and therefore could not work, were also mentioned. The Council would like additional information from Bruce Brensdal about the new housing group and information from the Department of Transportation about Federal dollars that come to the state for passenger transportation. There is an early childhood report that should be done in the spring.

Public Comment

Barb Perzinski talked about the sanction policy and mentioned that there is a very small group of people who are abusing it, concerned about people being sanctioned because

they can't complete requirement, not that they don't want to. She mentioned that Montana is so diverse that there is no "typical" person who needs help, individuals and groups addressed. She also thanked the members for inviting the public to the table for the discussions.

Representative Franke Wilmer provided comments on behalf of the Montana Legislative Democratic Women's Caucus. She mentioned that not all Montanans are moving forward and that recently the list of the Nation's 20 poorest counties had 8 Montana counties listed. The comments (3 pages) are included as 'Attachment D' in these minutes.

Next Meeting

The next meeting will be held in Helena at the beginning of November at the Montana State Capitol Building. The Council's preference was for earlier in the month, especially if there is to be a December meeting. Anne will find times and email Council members with potential dates.

Governor's Advisory Council on Economic Security for Montana Families

October 9 & 10, 2007

Small Group Discussion Notes

(Strengths, Opportunities, Weaknesses, Threats)

Group A - Meeting Basic Needs

Strengths & Opportunities

- Political will
- Hunger
- Housing-affordable
- Health
- Energy
- Data: Self-Sufficiency Standard, Haynes study
- Increase outreach
- Basic needs-underutilized outreach efforts-CHIP, Food Stamp, Tax Programs-housing, Energy, EITC, Health Care

Weaknesses & Threats

- Hot to engage people-predatory lending (hot topic), subprime, take an early position
- Lacking: Housing-Governor has taken this on as a priority
- Transportation
- Substance abuse
- Lack of work history
- Mental health/resources]
- Underutilized/non-innovative outreach
- Lack of housing
- Lack of transportation
- Inadequate resources to deal with substance abuse
- Lack of healthcare coverage
- No "earmarked" funding source for human services
 - Develop alliances with Revenue to support tax collection programs
- Infighting
- Lack of money
- Diverse "basic needs"
- Devolution, war, current Federal administration
- TANF penalties and "sky is falling" mentality
- Blanket acceptance of Federal BAD policy

Group B - Community & Economic Development

Strengths & Opportunities

- Highly educated work force
- Educational system that ranks high nationally
- Strong sense of community in MT
- MT Meth project
- There is economic growth
- There is a lot of potential for increased coal development

- Abundance of natural resources in MT
- Alternative energy (eg: wind energy)
- Environmental awareness
- Development of sustainability that is environmentally appropriate
- "Best Place" development concepts
- Recognition of the assets

Weaknesses & Threats

- Continually dependent on funding
- Small businesses don't lend themselves to high-wage employment
- We lack the investment funds or mechanisms to improve the infrastructure to support business
- Funding is limited for MT Meth Project-who do we address those individuals that are impacted? How do we sustain the program?
- How do we sustain the growth/economic boom across MT
- Funding for small businesses
- Most employment in service industry
- Reliance on natural resources
- National corporations vs. small local businesses

Group C - Education & Training

Strengths & Opportunities

- High School Dropout
 - Engagement
 - Boys and Girls Club
 - Athletics
 - Parent involvement
 - Redesign TECP prep
 - Career Shadowing-PR
 - Apprenticeship training
 - MT Department of Labor
 - Health support specialists
 - Job Corp
 - Redesign credit recovery program
 - Review curriculum requirements
 - Financial literacy
 - Consumer education
 - Life skills
 - Life long learning
- Assess problems with Federal initiatives
 - Ex-Job Corps app in Utah
 - Needs- on site office
 - GED
 - Land developers hire/trainees
 - Tribal partnerships

Weaknesses & Threats

- Tradition & comfort zone
- No tracking & engagement of youth (dropouts)

- TANF activity limits (doesn't support parents & children involvement)
- Lack of GED classes/availability
- *Funds for promoting pr-lifelong learning, apprenticeship & training opportunities, 2 yr or cert
- In-effective inspiration
- Lack of emphasis on voc-tech ed/job corps
- *Lack of specific info comparing opportunities (ie: apprenticeship & training vs. college-post secondary, money to be earned, costs, jobs, pay, geographic location)
- Lack of life skill classes (math, resume, work habits, communication, problem solving, financial literacy)
- Parents don't feel welcomed & smart (threatened by teacher/authority/education)
- Setting goals (connecting education with future – could be specific job or is relevant/personal to the student, make a connection)
- Recognition of training skills/specialized knowledge (ie: certificates in language, expertise in specific occupations)
- Increased articulation agreements (ie: class "7"-language, culture, social studies)
- Resources are focused on 4 year college bound (80% of jobs in MT require 2yrs or less education/training)
- Recognition of new barriers/problems for youth (cell phones, credit cards, payday loans, theft & selling [?] , HOPELESSNESS)
- Pride & hard working-How do we reach them? (acceptable & non-acceptable to access)
- TANF has lost its stigma of being welfare (more on reservations)
- Lack of training emphasis on opportunities for women & Native Americans & youth

Group D - Clearinghouse & Outreach

Strengths & Opportunities

- Strong network of existing providers, state government & contractors committed to outreach and meeting people's needs
- Private employers are recognizing the need for housing, child care, etc. (the canary)
- Administration direction and support for opening communication with reservations
- Increase in Federal transportation funds
- Build on current (identify first) clearing houses
- Department of Labor has one-stop shops
- Build on current joint serv. Apps
- Medicaid & CHIP pairing
- Utilize business clinics

Weaknesses & Threats

- Vast distances
- Lack of transportation and resistance to public transportation, independence
- Cultural diversity needs to be appreciated
- Lack of funds to do outreach, Federal and State
- Hard to reach population-media internet access expensive and limited
- Some people need 1 on 1 contact, elderly, dementia
- Literacy & levels of literacy in understanding our communications

- Lack of time & money to further education & training (ie: TANF)
- Expand 211 service
- Keeping a strong state economy
- Stigma on accepting government programs
- Time & money to keep service lists updated & staff trained

Group E - Moving Toward Economic Security

Strengths & Opportunities

- Financial literacy training-now in middle schools
- State has strong, stable economy
- Banks, credit unions working together
 - Alternatives to predatory lending, building assets, IDAs, loans to lower income
- Supportive services-tax incentive, credits, DOR
- Start with EPP, agency support
- Move on to '09 session
- Increase collection of unpaid taxes
- Increase revenues
- Bring back Pay-Day Loan Bill
- Bring back Senator Laslovich's bill
- Create state support/funding/investment for IDAs. Potential for 4-1 returns for individual-home ownership, etc.
- Coordinate public/private efforts for workforce development, lifelong training
- Partner among agencies-training program

Weaknesses & Threats

- Offer financial literacy education in existing curriculums – K-12
- Mandate financial literacy education in ABE programs
- Get inventory of financial literacy education & training being offered by all agencies
 - Commerce-SBA, micro loans, revolving loans
 - Labor-dislocated worker programs
 - Other
- Get Governor's approval to start getting discussion started with Legislators, may start with interim committees
- Include all items listed under "opportunities"

Governor's Advisory Council on Economic Security for Montana Families
October 9 & 10, 2007
Small Group Discussion Notes
(Draft Recommendations)

Group A - Meeting Basic Needs

- Encourage the administration & Insurance Commissioner to explore feasibility of developing comprehensive healthcare plan for MT-consider public and private resources with goal affordable health care for all MT
- Housing-acknowledge inadequacies in housing and support the work of the new "Housing Commission." We encourage this commission to consider the successful efforts occurring in MT communities in the public and private sectors. We ask the group to include a focus on the inadequacies for low and middle income Montanans.
- We encourage the administration to adopt policies that work for MT families rather than for the current Federal administration, specifically not accepting the Federal TANF rules allowing the Department to make the needs of MT families the 1st priorities.
- We understand the Governor is creating an advisory committee for Revenue. We strongly encourage the administration to include equal representation of education, human services, and corrections representatives to advise Revenue on tax policies.
- Transportation remains a serious issue for low to moderate income Montanans.
 - We encourage the administration to form a committee including DOT to address immediate and long-term transportation needs considering the urgency of the EPP process.
 - Explore creative options including state vehicle purchase, car auction purchases, and/or revolving loan funds
 - Explore and replicate successful past projects.

Group B - Community & Economic Development

- Develop a strategy to create a higher priority for strengthening communities & our local economies
 - Increase awareness
 - Branding the awareness of need by expanding the number of advocating for those needs
 - Identify linkages by demonstrating the connection between the different groups fulfilling the specific need
 - Sharing of data
 - Find way to get access to data
 - Show our benefits to our competitor, the value of increased collaboration
 - Identify the available resources & the demand on these resources
 - Cost benefit analysis

- Develop strategies to get agencies to put our ideas into their budgets
- Identify resources for generating opportunities to build upon existing resources
- Competitions for funds
 - Forest fires
 - No new taxes
 - Inflation
 - Institutional Resistance
- What programs are working on our issues and do they want our support?

Group C - Education & Training

- Address Montana's labor shortage
 - Promoting occupations & increasing opportunities requiring 2 years or less of apprenticeship or vocations training (including Job Corps) (80% of jobs in MT)
 - Target efforts to MT's available labor pool (dropouts, working poor, women, Native Americans, youth) ex. GED
 - Incentivize lifelong learning & skills attainment (IDAs-financial assistance)
 - Develop more affordable, quality child care
 - Develop resources that will leverage additional State, Federal or foundation funds, including a "match pool" for grants

Group D - Clearinghouse & Outreach

- Request state departments to post issues or items needing assistance to the web page-sharing of outreach, cross sharing of information
- Institute state government listening sessions around the state-increase of public and private sectors including reservations
- Compile a list of local service coordinating efforts
- Support legislation to expand 211 services

Group E - Moving Toward Economic Security

- Financial literacy
 - Coordinate with OPI, local school districts to implement financial literacy into existing curriculums & ABE's
- Get information from all agencies on which programs offer financial literacy
- Create website-serve as clearinghouse for state-wide financial literacy programs
- Support from general funds to leverage \$ for IDAs
- Create a coordinated program for workforce development and lifelong learning for all ages
- Be supportive of bills that did not pass in last session-that would have benefitted lower income people

**Governor's Advisory Council on Economic Security for MT Families
October 9 and 10, 2007
Room 303, Capitol Building
Helena, Montana**

Intended Outcomes

1. Adoption of vision, mission, and values statement
2. Recommendations for the Executive Planning Process (EPP)
3. Identify date(s) for meetings for the remainder of the year

Study by Diana Pierce

Jim Nolan reported that the study by Diana Pierce will necessitate a bid process if the group wants to have the study updated. This will take some time.

Self-Sufficiency Standard Report-ways in which report can be used

The information has been used as follows:

- For negotiations of labor unions
- Information to write grant proposals
- Grassroots organizations set a vision of where we want to be
- Social policy based on reality
- Other state legislatures have used the information to set poverty levels
- Exposes the gap between poverty level and making a living
- Defines specific needs in specific areas
- Provides an additional study for comparisons

Discussion by the Council followed and the following points were made:

- We need to be clear about the goal.
- Similar information has been used as a report card. State government, legislators, and the public need to be aware of where we are and where we need to be.
- A solid foundation of information is necessary to support the concept of economic security.
- We need the background and data to make sure the dollars are well spent and the information is used. The Council supports state government agencies to get the facts and tools.
- Information could be used as a cost benefit tool (e.g. receiving assistance vs. moving to a higher paying job).
- This information shifts the discussion with legislators to where we want to be. Factual information is very helpful.
- The information is data-driven vs. rhetoric.

Department of Commerce Report

Tony Preite, Director of the Montana Department of Commerce reported that there are 12 regional development corporations. Boards of Directors are comprised of local officials, minorities, and disadvantaged people. He

mentioned that Missoula has 1100—1200 job opportunities and direct TV scholarships. Great Falls has an excellent child care center with high staff to child ratios. Companies in rural areas need to continue to expand. The goal is continual outreach to assist people.

A question was raised regarding how fairness is insured. Tony responded that the work is done at both levels—bringing out-of-state money into Montana. Workers are employed and trained over a six-month period of time. Employers get nothing unless the employee is retained and successful.

Q: How do we support local businesses that rely on local dollars?

A: By creating jobs, child care, housing, access to private lenders, etc. People need local support to succeed (such as revolving loan funds).

Q: Have you looked into micro-lending practices?

A: Yes, through small business development center studies.

Q: What are the statistics on the workers?

A: A very high percentage (86%) of workers were low income.

Department of Revenue Report

Dan Bucks, Director of the Montana Department of Revenue, reported that the Finance Committee is meeting today to discuss revenue production, impact on Montana, and the impact on low-income people. During the past few years, there have been changes in tax policy. A shift has been made to in-state residents and businesses as beneficiaries. Changes in property tax rates and business equipment has increased. As a result, 12,000—13,000 businesses have been taken off the tax rolls. There is low compliance by out-of-state businesses on the sale of land. It is still necessary to improve the tax policy that affects low-income people.

An elderly credit is available for people age 62 and above who either own or rent their home. This credit benefits those with annual incomes less than \$40,000. Only 20% of eligible renters and 32% of eligible home owners are taking advantage of this credit.

The suggestion was made to coordinate efforts between the Departments of: 1) Revenue and 2) Public Health & Human Services to streamline the process and provide more outreach/information.

Director Bucks mentioned another program that reduces property tax rates for home-owners. To receive this reduction, it is necessary to take a statement of income to the county government office and apply for the reduction of property taxes.

He also reminded the group that tax credits and advantages must have a revenue source.

Representative Mary Caferro suggested that a renter tax model the EITC bill. She also gave kudos for the \$400 tax rebate and the way it was handled. Every Legislator received a packet of ideas on how to inform constituencies. That could be a model for future tax rebates.

Hank Hudson mentioned that there are policy barriers inherent in eligibility-driven programs.

1. Montana's eligibility level is very low. This does not serve people up to the point of being self-sufficient.
2. The most creative ideas involve linking assistance with employment and training. The Montana Family Economic Security Initiative is as innovative as any other state.
3. The above-mentioned initiative needs to be at the local level to cut across policies on taxes, housing, etc.

TANF (Temporary Assistance to Needy Families)

One aspect of the program is work activities. Sanctions are imposed on families that fail to fulfill their work functions without good cause. 13,000 previous AFDC cases have translated into 3,000 TANF cases: 36% of the TANF cases are child only; 51% are single parent families. Approximately 55% of adults receiving TANF are Native Americans. Most reside on the Crow, Northern Cheyenne, and Fort Peck Reservations.

Montana has the most lenient sanction policy in the country.

- The second sanction results in loss of benefits for an entire month.
- The third sanction results in loss of benefits for three months.
- The fourth sanction results in loss of benefits for six months.

The most controversial area is that when a family is sanctioned, the children must live with someone else. There are no benefits for the children. This counters previous procedures.

The number of first sanctions has decreased. However, the number of repeat sanctions is increasing. There is a small number of people who play the system. This group can potentially create penalties for the state.

Viable work activities no longer include education. Activities must be linked to a job.

Department of Labor & Industry Report

Ingrid Childress reported that the department administers a federal tax credit for businesses that hire people from TANF or other low-income program as well as another program for veterans.

The federally-funded Workforce Investment Act, targeting dislocated workers, has seen a huge decrease in funding from \$15 million to \$6 million over a five-year period.

The department also operates a public labor exchange program to partner job seekers with employers. The turn-over rate has been high. Disabled individuals and people exiting correctional institutions are often overlooked.

The last legislative session funded a model project for small businesses to train employees. The goals are to: 1) raise the skills of individuals so that they are more productive and competitive; and 2) track the participants so that wages pre- and post- training can be compared.

Suggestions:

- Link education and labor.
- Increase resources for women, especially Native American women.
- Reproduce Judy Smith's exceptional program.

Jim Nolan mentioned that news reports indicated that the Governor had stated that employers tell him that lack of housing for employees is one of the biggest drawbacks they face. Subsequently, the Governor's office met with agency personnel dealing with the problem of affordable and available housing. It was decided that the Housing Coordinating Team from the Department of Commerce would be charged with expanding its membership to include additional affected parties and begin working on a proposal to present to the Governor.

Montana Legislative Democratic Women's Caucus

Statement by Franke Wilmer

October 10, 2007

Governor's Council on Economic Security for Families

Helena, MT

We cannot make families better off without making women better off; families will not be better off *until* women are better off.

Women live longer and on less. They do the lion's share of family caregiving; not only for children, but for their elderly parents, too.

Over 31% of Montana families are single-parent families. Twenty-seven percent are families with both parents working.

The Women's Foundation of Montana notes that, according to a 2005 article appearing in *The Economist*, eight of the 20 poorest counties – counties where people earn the lowest wages in the United States – are in Montana.

Can this be explained by a state education gap? No. Montana families do not earn less because Montanans are less educated. In 2004, Minnesota, Montana, Wyoming and Nebraska had the highest proportion of people with at least a high school diploma – all around 91 percent.

But what is called “concentrated inter-generational poverty” is a major factor in creating the achievement gap between poor and non-poor students. Closing this gap must include closing the poverty gap. High school completion rates are 87% for non-Indians and 64% for American Indians in Montana.

High school graduates earn 50% more than dropouts, and college graduates three times as much. If just one-third of those dropouts were to graduate, we would save over \$10 billion dollars in food stamps, housing assistance, and TANF (Temporary Aid to Needy Families) – which does not include the increase to the tax base represented by their higher earnings.

Most of Montana *is* on the move. With the exception of our reservation communities where unemployment is still at the unacceptable level of 40-60%, unemployment elsewhere is low and business – especially small business -- is on the rise. We have the last best wild and natural spaces in the lower 48 states. We have enormous potential to contribute to our country's energy independence and we can do it right – if we make good choices, we can do it clean and green. But we must also measure our progress by the economic status of our families, and the women who are at the center of them.

14.4% of Montana women live in poverty compared to 9.7% of men. The earnings gap between men and women in Montana is 73%. Data from the American Association of University Women show that we slipped from a ranking of 50 out of 51 in 2000, including the District of Columbia, to 51 out of 51 in 2005. College-educated men still earn over \$10,000 more, on average, than college-educated women in our state.

The gap is smaller for Native American men and women, larger for Hispanic men and women. But the poverty rate among Native American women overall is still far above that for white women – 58.8% for Native American women compared to 85.6% for white women.

The earnings gap does not compare men and women overall, but *men and women with college degrees*. And 27% of men and 26% of women in Montana have college degrees, which is only very slightly below the national average.

I know you are all concerned about these trends and committed to the development of policies and legislation that will close these gaps and raise the standard of living for women and the families who depend on them.

During the last session, the Democratic Women's Caucus met a couple of times each month. We reviewed the progress of legislative proposals and bills through committees and the two houses, and we prioritized them in categories such as those affecting primarily children and families, civil rights, domestic and sexual violence, economic development, education, and health care.

I would like to share with you some of the criteria we used for evaluating legislation we chose to support. Perhaps these will be useful guidelines for your thinking on how to improve the lives of Montana women and families. We offer seven criteria for your consideration

1. Does the proposal help ensure that all are paying a fair share for programs aimed at creating a strong economy and community? Do all members of the community – individual citizens and businesses, pay for programs that build community health, well-being, and liveability?
2. Does the proposal reduce inequalities? What is the impact likely to be on reducing the earnings gender gap in Montana?
3. Does the proposal avoid adding to the burden of those with fewer resources and influence? For example, raising co-pays and user fees has more impact on the working poor. Or how does it distinguish between small and big business by exempting small businesses or does it scale assessments to business receipts or equipment?

4. Does the proposal allow women access to the full-range of gender-appropriate health care at a fair cost?
5. Does the proposal ensure that girls and women receive the same educational opportunities as boys and men?
6. Does the proposal take into account the unique roles that women fill, their status as mothers, breadwinners, caregivers, and allow them to fulfill those roles without economic penalty?
7. Does the proposal protect women and children who are victims of domestic violence? Is it aimed at preventing, or intervening to decrease domestic violence?